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GREG GONZALES
COMMISSIONER

TO: Mortgage Licensees/Registrants

FROM:  Greg Gonzales

RE: Nationwide Mortgage Licensing System ("NMLS")

DATE: January 13, 2009

As previously announced, the Tennessee Department of Financial Institutions will begin using the Nationwide Mortgage Licensing System ("NMLS") on February 1, 2009. This letter is to serve as a reminder about key dates for NMLS implementation in Tennessee, to announce new fingerprinting requirements for new company applicants (and all mortgage loan originators), and to provide an update on future education requirements for mortgage loan originators:

1. Tennessee's Transition Plan (for current licensees and registrants):

As a reminder, all mortgage lenders, brokers and servicers holding a Tennessee license or certificate of registration must transition their company information, as well as their mortgage loan originators, to the NMLS between February 1 and August 1, 2009.

The transition plan is currently posted on the NMLS website: www.stateregulatoryregistry.org/NMLS. This website includes instructions on creating a company record, use of system functionality, and completion of the MU forms (Uniform Mortgage Forms), as well as "Quick Guides" for easy reference. You will need the company's Tennessee license or registration number(s) (including for any branches and mortgage loan originators) when completing and submitting the MU forms through NMLS. These numbers can be found on the Department's website (www.tn.gov/tdfi/) under "Listing of Regulated Entities," in the appropriate category (company, branch, MLO). The numbers must be entered exactly as they appear without any "leading zeroes."

NMLS forms to complete to transition to the system on or after February 1, 2009:

MU1 – for Mortgage Companies
MU2 – for Control Persons
MU3 – for Tennessee Branch Offices
MU4 – for Mortgage Loan Originators

Note: If you are a currently licensed or registered mortgage lender, broker or servicer, you are licensed or registered in Tennessee for calendar year 2009. **In order to file a renewal application for calendar year 2010, you must transition to the NMLS between February 1 and August 1, 2009.**

2. New Mortgage Applications:

Effective February 1, 2009, all NEW mortgage applicants (companies and originators) must apply for a license or registration through the NMLS. No paper applications will be accepted after Jan. 31, 2009.

3. Fingerprint Background Checks:

New amendments to the Tennessee Residential Lending, Brokerage and Servicing Act include provisions for fingerprint-based criminal background checks.

Effective January 1, 2009, all new applicants (including certain company control persons) for a mortgage lender, broker or servicer license or registration are required to undergo a fingerprint background check. This also applies to any company that does not timely transition to the NMLS and must file a new application for 2010.

Effective January 1, 2009, all new mortgage loan originators, including those changing companies, are required to undergo the fingerprint background check.

Additionally, Tenn. Code Ann. § 45-13-126(k) now provides as follows:

The commissioner shall have the authority to require a criminal history background check at any time as a condition of continued registration of a mortgage loan originator. Upon request of the commissioner, a licensee or registrant shall obtain and furnish to the commissioner the mortgage loan originator's consent to a criminal history record check and a set of the mortgage loan originator's fingerprints. Failure [to do so] within thirty (30) days of the commissioner's request constitutes grounds for the commissioner to suspend or revoke the registration certificate of the mortgage loan originator.

Fingerprinting instructions can be found on the Department's website at www.tn.gov/tdfi/. Fingerprint-based background checks will be processed by the TBI and FBI through Cogent Systems (www.cogentsystems.com), and any findings are provided to the Department.

4. Education:

The federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008 ("S.A.F.E.") requires that the educational component under S.A.F.E. be developed and approved by the NMLS. To date, the educational component (pre-licensing courses, pre-licensing testing, and continuing education) has not been finalized by the NMLS. As the Department is updated regarding this ongoing initiative, it will provide that information to licensees and registrants. The S.A.F.E. Act and related information is posted to the Department website under the section "Hot Topics" at www.tn.gov/tdfi.

5. Questions?

NMLS-specific questions should be directed to the NMLS Call Center (240-386-4444) or may be answered at www.stateregulatoryregistry.org/nmls.

For Tennessee-specific licensing questions, email askmortgage.licensing@tn.gov or call 615-253-6714 and leave a message for a return call. The Department will also be posting FAQs on its website (www.tn.gov/tdfi) in the near future regarding all topics covered by this mailing.